1	2	3	4	5
15.	Meghalaya	15.48	18.66	-6.93
16.	Mizoram	4.22	8.15	5.38
17.	Nagaland	1.21	3.16	2.51
18.	Orissa	164.49	335.35	276.98
19.	Punjab	431.18	671.70	605.89
20.	Rajasthan	437.29	680.41	543.01
21.	Sikkim	0.94	5.72	6.02
22.	Tamil Nadu	535.42	724.46	400.12
23.	Tripura	19.84	28.96	33.18
24.	Uttar Pradesh	1186.02	2254.89	2021.50
25.	West Bengal	1259.44	1994.04	1959.43
	Total	7096.13	13995.95	8629.08

Ineffectiveness of RBI

2160. SHRI I.D. SWAMI : Will the Minister of FINANCE be pleased to state :

(a) whether the attention of the Government has been drawn to the newsitem captioned "Indian Bank exposes RBI's ineffectiveness" appearing in the 'Times of India' dated 19 August, 1996;

(b) if so, the facts of the matter reported therein;

(c) whether the losses in the Indian Bank and frauds in other private and public sector banks have taken place due to ineffective monitoring and supervision of the Reserve Bank of India;

(d) if not, the other facts responsible for the said losses and frauds; and

(e) the steps contemplated to strengthen the RBI to provide an effective and meaningful supervision and control over the commercial banks in the country?

THE FINANCE MINISTER (SHRI P. CHIDAMBARAM) : (a) and (b). The news item under reference alleges that the RBI has not been effective in detecting the irregularities in some of the Public Sector Banks.

(c) No, Sir.

(d) The losses reflected by the Banking Industry during 1995-96 are on account of under provisioning in previous years leading to the necessity for additional provisioning in 1995-96, wage revision in the Banking Industry, additional provision on account of marking to market securities held by Banks etc. Fraud in the Banking Industry have taken place largely on account of non-observance of laid down procedures.

(e) In order to further strengthen the RBI in the discharge of its supervisory functions a number of steps have been taken, the chief among being the setting up of the Board for Financial Supervision. In addition internal control systems of banks have been strengthened and off-site inspection has been taken up by the RBI.

[Translation]

Double Taxation between India and Cyprus

2161. SHRI RAJENDRA AGNIHOTRI : Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to abolish double taxation between Cyprus and India;

(b) whether any agreement has since been signed in this regard; and

(c) if so, the terms and details of the agreements?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c). A Double Taxation Avoidance Agreement has been signed with the Republic of Cyprus on 13.6.1994 and is applicable from the financial year 1993-94, relevant to the assessment year 1994-95.

The Agreement provides for lower rates of taxation in respect of dividents, interest, royalties and fees for technical services when compared to domestic rates. It also provides that the nationals of a Contracting State shall not be subjected to in the other State to any taxation or requirement connected therewith which is more burdensome than the taxation and connected requirements of that other State. The Agreement further provides for elimination of double taxation and also exchange of information in preventing tax evasion or fraud.

Economic Ministers Meeting

2162. SHRI PINAKI MISRA : Will the Minister of FINANCE be pleased to state :

(a) whether a session of prominent economists, economic ministers and officials was held in New Delhi in September 1996 to chalk out an action plan to achieve the annual target of 10 billion foreign direct investment;

(b) if so, whether foreign delegates were also invited to attend the conference;

(c) if so, the details thereof; and

(d) the details of action plan suggested and observations made in the session?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (d). An international conference titled 'Destination India-Global Summit on Investment Opportunities' was organised jointly by the Ministry of Industry, Government of India and the Federation of Indian Chambers of Commerce and Industry (FICCI) during 10th-11th September, 1996. The conference was the first promotional initiative by the reconstituted FIPB.

The conference was inaugurated by the Prime Minister and was attended by the Ministers of Finance,

Industry, Commerce and External Affairs, among others RBI and many high officials of various economic ministries also participated in it. Representatives of various international corporations, policy makers of Central and State Governments, Chief Executive Officers of PSUs and leading Indian companies also took part in it. Foreign delegates included representatives of foreign governments and diplomats besides a number of leading foreign companies interested in investing in India.

The conference highlighted the investment opportunities in thrust sectors and other areas in India in the context of ongoing economic reforms and liberalisation and the emerging global economic. There were interactive sessions in which the foreign delegates sought and got clarifications from Ministers and senior Government officials regarding various issues and policy matters.

Import of Coconut and Other Coconut Items

2163. SHRI N.K. PREMCHANDRAN : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have decided to import value added products from coconut like coconut Cream/ milk and spray dried coconut milk powder;

(b) if so, the reasons therefor;

(c) whether the Government are aware that the above decision would adversely affect the indigenous industries in Kerala;

(d) if so, whether the Government propose to review the above decision and provide financial assistance for developing the indigenous industries for producing value added products form coconut; and

(e) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (c). Import of coconut cream and coconut milk powder has been permitted freely vide Government of India, Ministry of Commerce Notification No.8(RE-96)/92-97 dated 21st August, 1996, after interministerial consultations with a view to widening the trade among the SAARC countries.

(d) and (e). Review of the Export and Import Policy is a continuous process and changes in it are made as and when considered necessary, in the public interest.

[Translation]

Withdrawal of Pass Scheme

2164. SHRI R.L.P. VERMA : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government propose to withdraw the existing pass book scheme; and

(b) if so, the reasons therefor and the alternative arrangements made to compensate the losses to be suffered by the exporter as a result thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). The Passbook Scheme has been introduced w.e.f. 1.4.95. The details of the scheme are given in Para 54 of the EXIM policy and para 114 of the Handbook of Procedures, Vol. 1 (RE-MARCH, 1996).

At present there is no proposal to withdraw the existing passbook scheme.

[English]

Salt Production in Gujarat

2165. SHRI SHANTILAL PARSOTAMDAS PATEL : Will the Minister of INDUSTRY be pleased to state :

(a) whether 70% of salt is produced in Gujarat and supplied throughout the country;

(b) whether there is a demand for shifting the Salt Commissioner's office to Gujarat in order to see the production and supply of salt in the State;

(c) whether wagons for supply of salt are adequate in Gujarat to meet the demand; and

(d) if not, the steps being taken by the Government in this regard?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) Yes, Sir. Gujarat contributes about 70% of the total salt produced in the country.

(b) There had been a consistent demand from the Government of Gujarat, Salt Manufacturers' Associations of Gujarat, etc. for shifting the Salt Commissioner's Headquarters Office to Gujarat. Considering the various aspects of the matter the Government had ordered for shifting of that Office to Gandhinagar (Gujarat) in October, 1994. However the All India Salt Department Employees' Union filed a Writ Petition in the Rajasthan High Court against the said orders and obtained a stay. The matter is now pending before the Hon'ble High Court and is therefore subjudice.

(c) Yes, Sir. At present there has been adequate supply of wagons for movement of salt from Gujarat.

(d) Question does not arise.

Liquidation of P.S.Us by BIFR

2166. SHRI PRADIP BHATTACHARYA :
SHRI PRAMOTHES MUKHERJEE :

Will the Minister of FINANCE be pleased to state :

(a) the details of P.S.Us recommended for liquidation by the BIFR as on date;

(b) whether Board for Industrial and Financial Reconstruction (BIFR) decision to liquidate some of the